

**TOWN OF BON ACCORD
POLICY STATEMENT**

SECTION: Administration - Finance

POLICY RESOLUTION NO.: 16-186

SUBJECT: TAX INSTALLMENT PAYMENT PLAN

RESPONSIBLE AUTHORITY: Administration Department

REVIEWED & APPROVED BY COUNCIL:

September 6, 2016 Regular Meeting of Council Resolution #16-186

PURPOSE AND INTENT: To provide guidelines and procedures for administration of the Tax Installment Payment Plan

POLICY STATEMENT The Tax Installment Payment Plan (TIPP) will be administered using the following procedures.

ELIGIBILITY

1. Open to all tax rolls
2. Prior year tax balances are paid in full

PROCEDURE:

Taxes may be paid over a twelve (12) month period beginning in January of each year provided the following requirements are met:

1. The tax account is paid in full (calendar year owed);
2. The applicant must have chequing privileges at a financial institution;
3. Taxes are not being paid through a mortgage company;
4. An application (along with banking information or postdated cheques) is submitted and approved no later than January 10th of the tax year (exceptions for new home owners can be made).

Calculation of tax installment amount is made as follows:

1. Each of the first four installments (January to April) shall be equal to 1/12 of the previous years' tax levy.
2. The next 12 payments (May to the following April) shall be equal to the remaining balance on the tax account divided by eight (8 months remaining in the year to bring account balance to zero (\$0)).
3. Each May thereafter TIPP will be calculated based on the new tax levy.

Payment Method & Date:

1. Preauthorized withdrawal or postdated cheques.
2. Payments are to be made on the 15th of every month.

Withdrawal/Cancellation:

1. In order to cancel from TIPP, written notice must be provided at least 10 business days before the next installment date. All unpaid taxes (if any) will then become due and payable and will be subject to penalties as provided in the current Taxation Bylaw.
2. If an installment fails to be honored a service charge (according to the Fees for Service Delivery Policy) will be added to the tax account. Failure to remit the dishonored payment and the service charge, before the next installment is due, will result in termination of TIPP. All unpaid taxes (if any) will then become due and payable and will be subject to penalties as provided in the current Taxation Bylaw.
3. TIPP will be terminated if three (3) payments, in the tax year, fail to be honoured.